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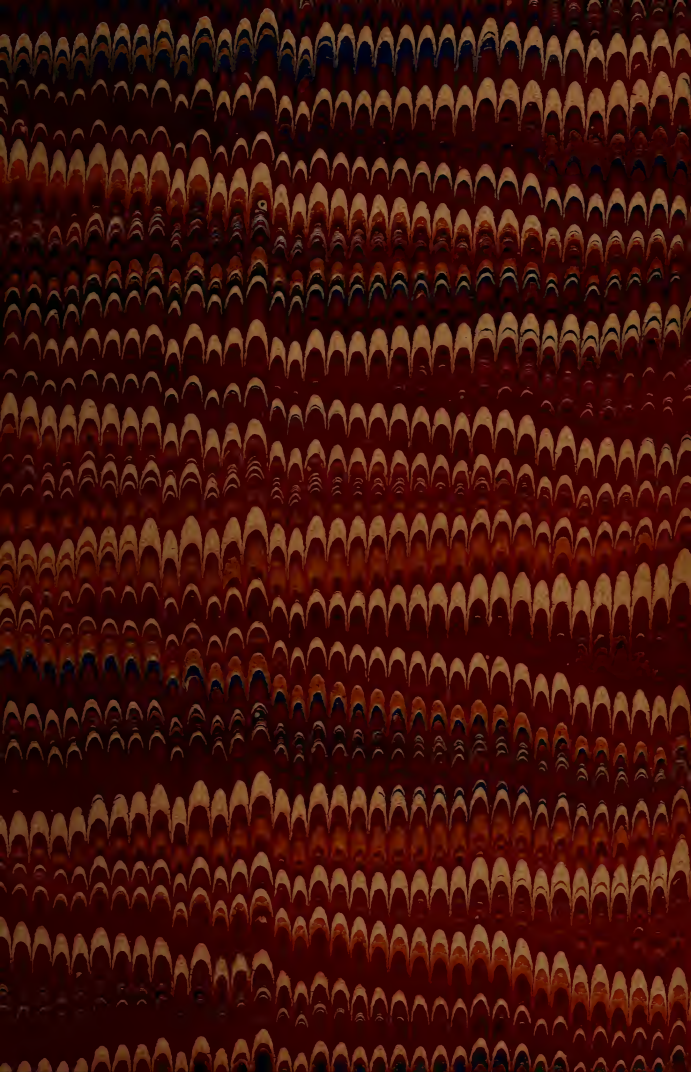
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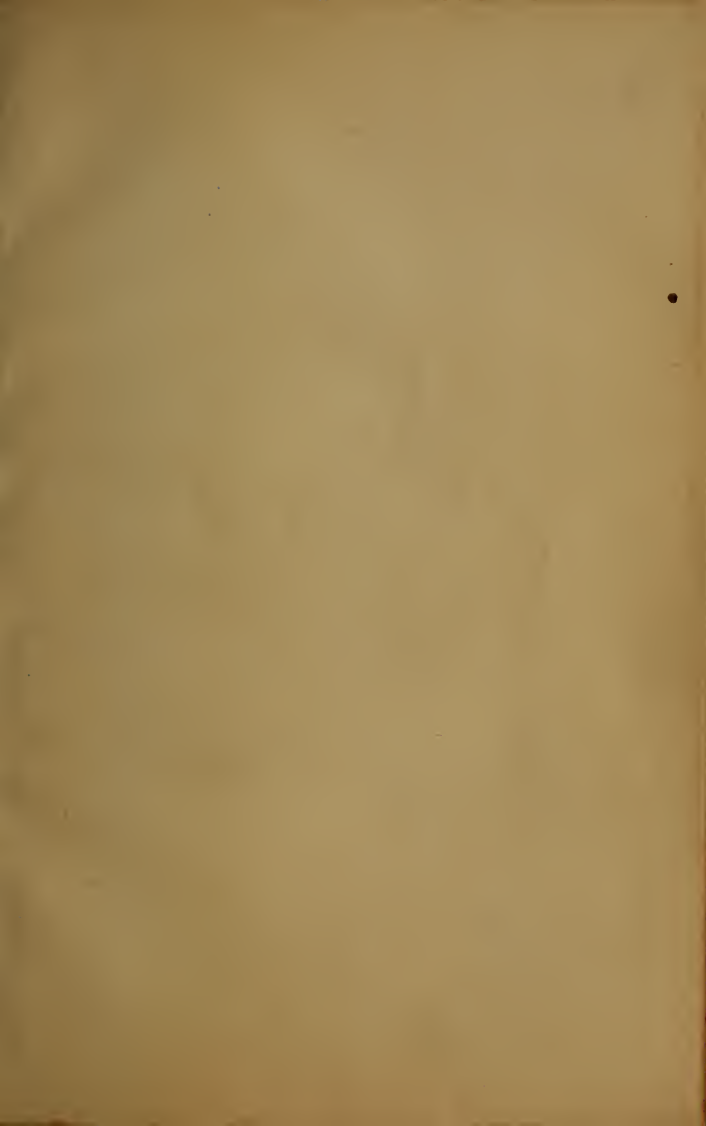
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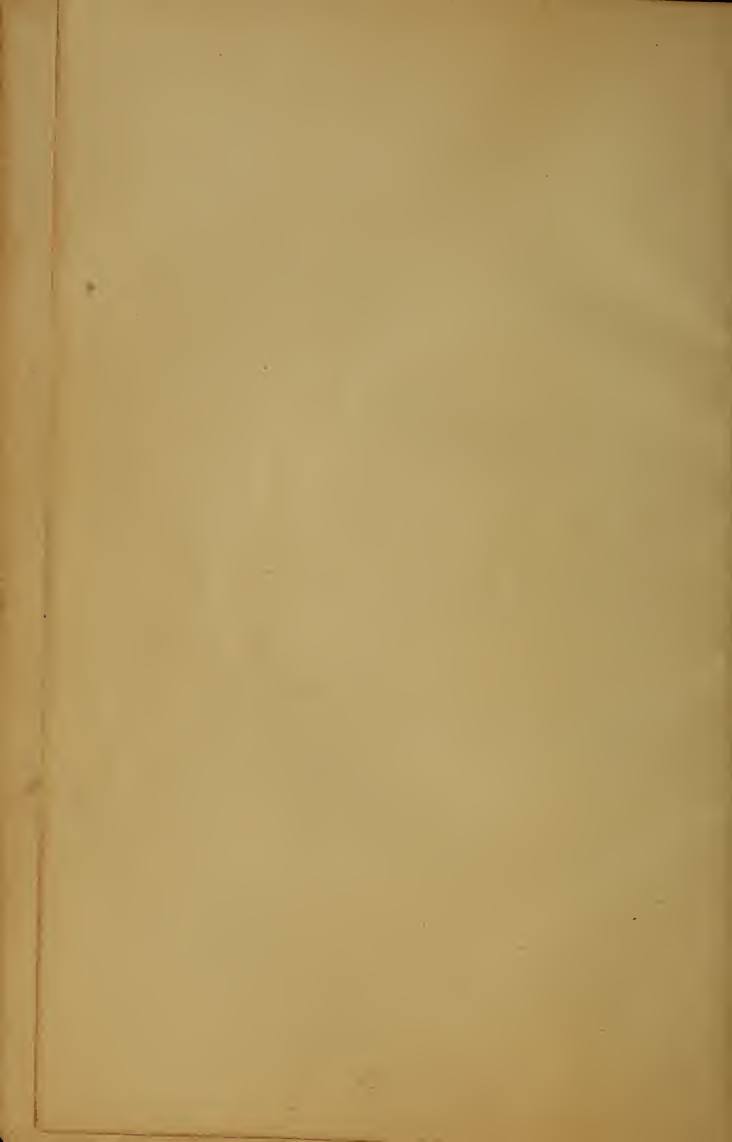
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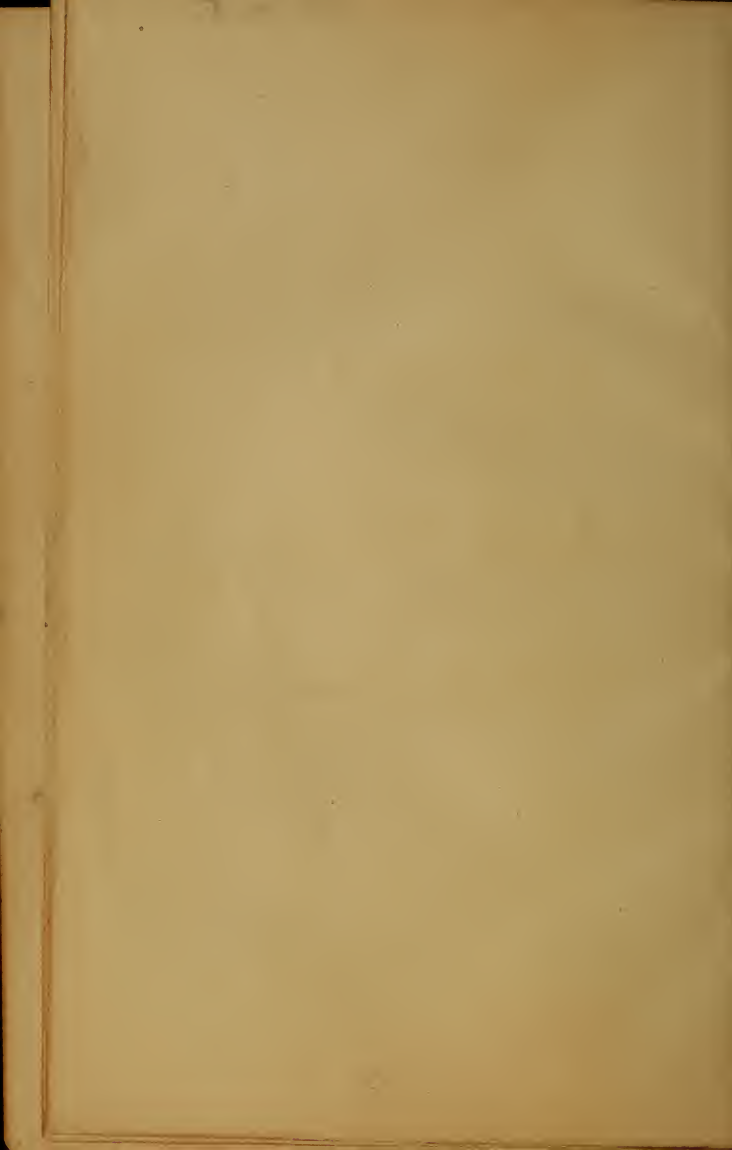












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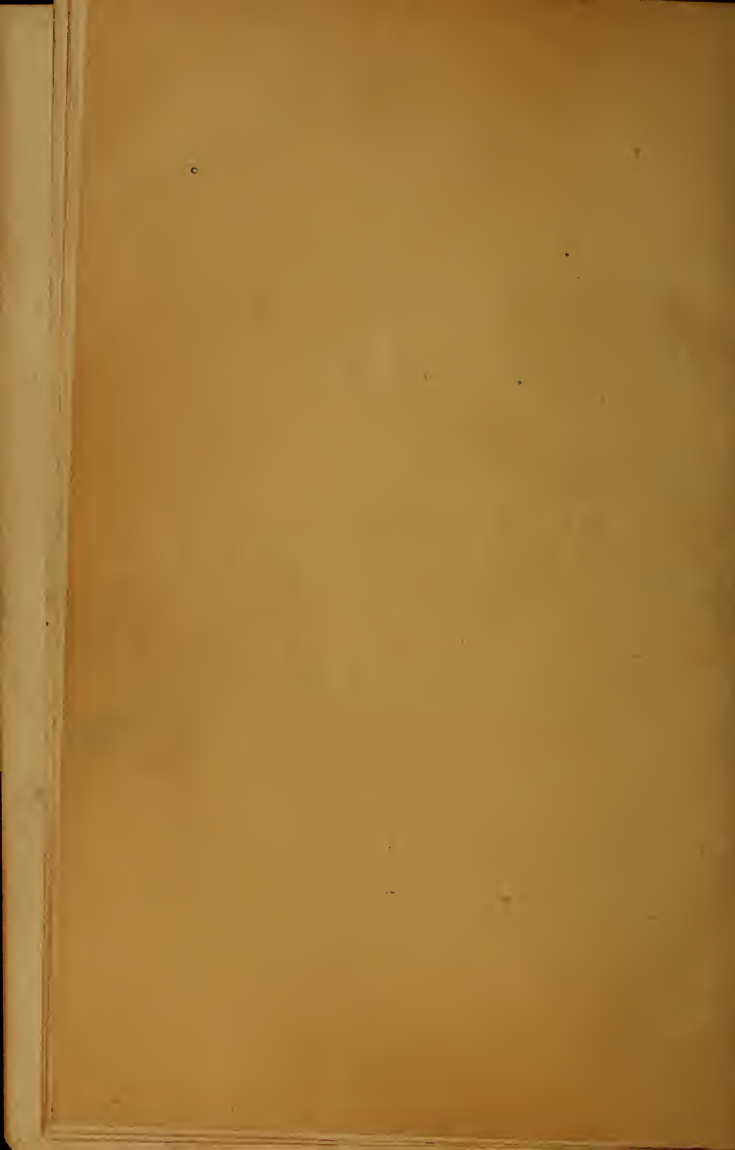
**A GUIDE**

**TO**

**PROFITABLE SPECULATION**

**IN**

**Wall Street.**



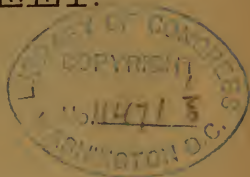
A GUIDE

TO

PROFITABLE SPECULATION

IN

WALL STREET.



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# The Speculator's Guide.

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**N**EW YORK is the great commercial emporium of the Western World, and is growing in influence and importance yearly. The term

## WALL STREET

is used to express the central point of its financial greatness. In this street and vicinity are aggregated the great money institutions, representing the wealth of a continent, and the business enterprise which vivifies the nation. From hence our commerce is impelled, and hence is supplied the means which has united this whole country in a vast net-work of Railways, unequaled on the face of the earth.

## SPECULATORS.

The most prominent of our business men have been and are speculators in the stocks of these Railways; many of whom began life on the lowest round of fortune's ladder, and accumulated their millions. We could fill pages with their names and successes, but that is not necessary—the statement of the fact suffices.

## OUR OBJECT

in this little volume is to point out to you the way wherein you, with your means, be they small

or greater, can successfully compete for a share of the vast sums annually amassed, and to

### GUIDE YOU AWAY

from the slippery places whereon many have fallen. There is no business ever yet followed by man without its dangers, and the record of our mercantile agencies show that more men fail in merchandizing than in the speculations of Wall street; and we mean to show you ours is the surer

### ROAD TO FORTUNE,

as our latest experience enables us to light up to you, and we will now proceed to make the same plain.

### BULLS AND BEARS.

A BULL is one who looks for an advance, and buys stocks to hold for a profit; he is, therefore, "long" of the market.

A BEAR is one who looks for a decline, and sells stocks that he does not own, with the expectation of buying at a lower price, and is therefore "short" of the market. While thus waiting for the market to fall he fills his contract by borrowing stock of some bull, and leaving as security an amount in cash equal to the market value of the same.

### DEALINGS.

All the business of dealing in stocks is transacted between the hours of 10 and 3 o'clock, on the floor of the New York Stock Exchange (a

handsome commodious edifice, with entrance from Wall, Broad, and New streets,) by the members thereof, who are governed by their own laws and regulations; and any member failing in a strict observance of the same is immediately suspended, or expelled from the board.

The highest principle of commercial honor regulates all their dealings; and it is safe to say that no other class of business men place their word or promises in greater esteem. Dealings are continuous, and thus an order can be executed at the moment for any amount. A broker having an order goes at once to that part of the

### GREAT HALL

where are collected those having orders to buy and sell that particular stock, and the offers and bids being constant, he is enabled to accept the one or the other; or, if his order does not come within the prices ruling, he either waits or adds his voice to the prevailing din (making what they call *chin music*), thereby trying to influence the market up or down, which can amount to very little indeed, unless the order is for thousands.

The fluctuations are occasioned by large orders from wealthy operators on pools. When they desire a stock to rise they send in one or many brokers, with orders to take all the stock that appears up to a certain price, and the excitement is sometimes intense as point after point is reached.

## OPPOSITION.

Now, it frequently happens that some other wealthy combination, or clique, desire that particular stock to go down, and they send in orders to sell; in which case the fluctuations are wide and frequent, and these, reader, you want to take advantage of for your own profit, and which we shall now proceed to explain to you can be done with safety to yourself through the medium of

## STOCK PRIVILEGES.

which consist of "puts," "calls" and "spreads." By the aid of these a person with a small capital can compete with the millionaire, and controls as great a value in stocks as was possible under the old system of margins for the wealthy banker. We will also demonstrate that the makers of these privileges does not necessarily lose money because you secure a handsome profit.

## A CALL

is a contract to sell you a given number of shares of a stock at a certain fixed price, within a given time, and reads like this:

*For value received, the bearer may call on us for one hundred shares of the capital stock of the New York Central Railway Company, at ninety-nine per cent. of its par value, at any time within thirty days from date. The bearer is entitled to all dividends declared during the time.*

STOCKS, BONDS & Co.

*Expires.....at 1.45 P. M.*

If you think the market will advance you buy this contract for such a number of shares as you see fit. Should you feel that the market will decline, you buy

### A PUT.

*For value received, the bearer may deliver to us one hundred shares of the capital stock of the New York Central Railway Company, at ninety-nine per cent. of its par value, at any time within thirty days from date. The undersigned is entitled to all dividends declared during the time.*

STOCKS, BONDS & Co.

*Expires.....at 1.45 P. M.*

Now, it frequently so happens, that you cannot make up your mind which way the market will move. A great contest may be raging in some specialty which, ending as it may, will be sure to cause a wide variation in the price. We meet that case, and buy for you

### A SPREAD,

which is a "put" and a "call" combined, but which, being embodied in one document, is made nearer the market than a separate Call and Put would be. With this double privilege in your possession, let the market go up or go down, and you reap your profit by exercising your option; these are made usually two per cent. from the market each way, and they rarely fail to pay a profit one way or the other. Let us now explain how responsible members of the Exchange can

afford to sell these privileges, and not only suffer no loss, but make good profits.

### EXAMPLE,

(SHOWING A PROFIT TO ALL PARTIES.)

Suppose you order us to buy for you a call on 500 New York Central, the market price of which is par; we pay one per cent. at 102, and the maker of the document immediately buys 500 stock at par, and we will suppose the price advances within the 30 days to 110, and you order us to close the contract and remit your profits, the account stands thus:

Member of New York Stock Exchange—		
Bo't 500 Central at par.....		\$50,000
Delivered same to us at 102.....	\$51,000	
Money we paid him for Call....	500	
	<hr/>	\$51,500
Profit to member.....		<hr/> \$1,500

And your account stands:

Paid money for Call.....	\$500	
“ for stock called at 102.....	51,000	
	<hr/>	\$51,500
Sold 500 stock on the market, at 110....	55,000	
Profit to our customer (less our comm'ns)		<hr/> \$3,500

Our commissions are  $\frac{1}{8}$  (\$12.50 per hundred) on all stocks bought or sold.

Thus all parties in interest make money. If you thought the market was going down you

would order us to buy instead a Put; for this we should not go to this same member, who is a bull, but rather to some other member, who is a bear, and pay him the one per cent. for the privilege of delivering him the stock at say 98; against which contract the bear immediately sells 500 stock at par. And we will suppose that the market price declines to 90. and you order us to close the contract and remit you profit, the resulting profits to us all are the same exactly. But you ask, how is it if the market does not go up when I buy a Call, or down when I buy a Put, but goes the contrary way? We answer, your loss is limited to the one per cent. paid for these contracts, and the member's profit and loss account is his own business. In our market there are always bulls and bears, and we buy their contracts; it is their business to judge of the market, and protect themselves as they think best. To provide, then, for the chance of being mistaken in the direction of the market, we buy for you a Spread.

### EXAMPLE,

(SHOWING OPERATION OF A SPREAD)

on 500 Central, and pay one per cent. each at 102 and 98. Now, then, let the price rise to 110 or fall to 90, and our profits come in.

### TRADING ON THE MARKET.

Now, it often happens, that while a movement in price of this kind is transpiring there are many

fluctuations, and it is very desirable to trade on your Spread; *i. e.*, buy on the sudden variations, and sell out quick at one or two per cent. profit, as the market gets back for the moment. In periods of great activity this is frequently done several times in a day. You should always bear in mind that trading should not be commenced until a profit is shown, and then, if the market does not work to favor you, something is already secured.

## COST OF PRIVILEGES

are one dollar per share, and our commission of  $6\frac{1}{4}$  cents, for 30 days time. They are issued at a distance from the market of 1 to 3 per cent., depending on the speculative character of the stock and the state of the market at the moment. When the market is very active, and the demand for privileges great, we have to go farther away; and then again, at a dull period, we can buy very close indeed. On the active favorites, such as Western Union Telegraph, Pacific Mail, Lake Shore, Union Pacific, New York Central, Erie, Rock Island, &c., for Calls,  $2\frac{1}{2}$  @ 3 above; for Puts, 2 @  $2\frac{1}{2}$  below; for Spreads,  $1\frac{1}{2}$  @  $2\frac{1}{2}$  each way.

### TABLE OF COSTS.

A Put or Call for 30 days, (including commission) for 10 shares.....	\$10.63
Do. " 25 " .....	26.56
Do. " 50 " .....	53.12
Do. " 100 " .....	106.25

A Spread (or double privilege) costs just twice the above rates, and your especial attention is desired to these, as in an active season they cannot fail, no matter which way the stock jumps.

#### SOME EXAMPLES OF THE PROFITS OF PRIVILEGES.

From our business of the past 60 days, we illustrate the practical working of Privileges by the following examples of profits paid. You will observe our customers did not have to wait 30 days. The Call made its profit in a week; the Put in two weeks; and the Spread, working both ways, paid well. From a large number of Privileges for small quantities of stocks settled at this time, we could select some which paid a greater per cent. of profits, but these suffice to show you the practice.

##### SHOWING PROFIT ON CALL.

22d June.	Bo't Call for Mr. B. on 500 L. S.		
	@ 70. paid.....	\$500 00	
	Our commissions.....	31 25	
		<hr/>	\$531 25
30th June.	Sold on the market 500 L. S.		
	@ 77.....	\$38,500 00	
	Called 500 L. S. @ 70.....	35,000 00	
		<hr/>	
		\$3 500 00	
	Our commissions, $\frac{1}{8}$ .....	62 50	
		<hr/>	3,437 50
	Net profits paid our customer.....		\$2,906 25

##### SHOWING PROFIT ON PUT.

30th June.	Bo't Put on 500 W. U. Tel. @		
	75.....	\$500 00	
	Our commissions.....	31 25	
		<hr/>	531 25

11th July.	Bo't on the market 500 W. U.		
	Tel. @ 70.....	\$35 000 00	
	Put the same @ 75.....	37,500 00	
		<hr/>	
		\$2,500 00	
	Our commission, $\frac{1}{8}$ .....	62 50	
		<hr/>	2,437 50
	Net profit paid our customer.....		\$1,906 25

## SHOWING PROFIT ON SPREAD.

10th June.	Bo't Spread on 500 R 1. $98\frac{1}{2}$		
	paid ..... $95$ ..	\$1,000 00	
	Our commissions.....	62 50	
		<hr/>	\$1,062 50
20th June.	Bo't 500 stock on mar-		
	ket @ 93.....	\$46,500 00	
30th June.	Sold 500 stock on mar-		
	ket @ 101.....	50,500 00	
		<hr/>	
		\$4,000 00	
	Our comm's $\frac{1}{4}$ , 125 00		
	11 d's int @ 7 p.c. 99 44		
		<hr/>	224 44
		<hr/>	\$3,775 56
30th June.	Sold 500 stock on mar-		
	ket @ 102.....	\$51,000 00	
10th July.	Bo't 500 stock on mar-		
	ket @ $96\frac{1}{2}$ .....	48,250 00	
		<hr/>	
		\$2,750 00	
	Our commissions.....	125 00	
		<hr/>	2 625 00
		<hr/>	6,400 56
	Net profit paid our customer.....		\$5,338 06

This also illustrates what it is to be both a *bull* and a *bear*; when we bought the stock against the put we assumed the bull side of the market, and had it gone down we should have put the same at 95 and ended the contract, but the rise enabled us to sell at a good figure, and as the price still advanced we sold "short;" now, if the price had

continued to advance (which it was liable to do) we should have "called" the stock and closed the contract that way, but the market favored us and the stock was bought 2 per cent. cheaper than the privilege.

TABLE *showing the range of fluctuations for the month of September, 1873.*

(This was the month of panic, and of course is exceptional.)

		Fluctuation on 100 Shares.	Fluctuation on 10 Shares.
N. Y. Central & H...	$105\frac{1}{8}$ 89	\$1,612 50	\$161 25
Lake Shore & M. S..	93 73	2,000 00	200 00
Rock Island.....	109 87	2,200 00	220 00
Harlem.....	$130\frac{1}{4}$ 90	4,025 00	402 50
Mil. & St. Paul.....	51 30	2,100 00	210 00
Northwestern .....	$64\frac{3}{4}$ 40	2,475 00	247 50
Ohio & Miss.....	$39\frac{1}{4}$ $26\frac{1}{2}$	1,275 00	127 50
Pacific Mail.....	$44\frac{1}{4}$ 31	1,325 00	132 50
Union Pacific.....	$27\frac{1}{2}$ 16	1,150 00	115 00
West. Union Tel....	$92\frac{1}{2}$ $54\frac{1}{4}$	3,825 00	382 50

The differences represent the profits that accrued on *puts*, and the greater part of which can be made by fortunate holders, and results from an investment of \$106.25 or \$10.63.

Table showing the Fluctuations, as they occurred, for 1873.

	Jan.	Feb.	Mar.	April	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.
Chicago and North West'n	84 80½	85 80	82½ 80	82¼ 76	80¼ 77½	74 70½	71⅞ 68½	69¼ 64	64¾ 40	45⅞ 31½	50 31½	57⅞ 47
Chic., Rock Isl'd & Pacific.	114¾ 109½	114½ 111¾	117¾ 112	114¾ 104½	111¼ 107	110⅞ 107¾	111¾ 109	110¾ 108¼	108⅞ 87	96¼ 80½	94¼ 83	100¼ 92
Col., Chic. & Ind Cen.....	41⅞ 36¾	43⅞ 38	42¼ 36⅞	40½ 35¼	37½ 29	31¾ 26½	33¾ 28	32½ 30	31¼ 19	24⅞ 16½	24 16¾	28 23
Del., Lack. & Western.....	101½ 93½	103¾ 100	102 100	101 95	105 100	106 96¼	102¼ 97¾	102 100½	100½ 86	93⅞ 80	95½ 79½	104¼ 97⅞
Erie.....	66¾ 58⅞	69¼ 63	66¾ 62¼	66¾ 63½	65⅞ 59¼	65⅞ 61¾	65½ 58	61⅞ 58½	59⅞ 50¾	51⅞ 44½	47 35½	47¾ 42½
Harlem.....	122½ 114½	130¼ 118½	139½ 127	140 120	131 122½	132¾ 124	134 125	133⅞ 130¼	130¼ 90	117½ 100	115¼ 100	122¼ 115
Lake Shore & Mich. S.....	96⅞ 91½	97¾ 90	96¼ 91½	93½ 88½	93 89¾	94½ 90¼	96⅞ 91⅞	95¼ 92¼	93 73	79 57½	73¼ 57¼	77⅞ 70½

Milwaukee & St Paul.....	54½ 51½	54½ 57%	60¾ 52	62¾ 53	58% 53½	55% 49%	53% 50¾	53¾ 50½	51 30	35½ 22¾	36¾ 21½	42 34%
New York Central & Har..	106¾ 99¾	106% 100¾	106¾ 100	102¾ 97%	102¾ 99%	102% 100%	105% 101¾	105¾ 103%	105% 89	95% 80¾	92¾ 77%	99¾ 90%
New Jersey Central.....	105½ 100	106 102¾	104½ 103	102¾ 96	106¾ 102	106½ 105½	105¾ 101½	103¾ 102¾	102½ 91½	95 86	96 85¾	102 95
Ohio & Mississippi.....	49% 45½	49% 44¾	46% 44½	45½ 40%	44% 40%	41% 36%	41% 38½	40% 38	39¾ 26%	30% 21¾	27 21½	31½ 25¾
Pacific Mail.....	75¾ 69¾	76% 55½	62 49	61% 53	57% 39¾	41% 35%	40 34½	45% 37	44¾ 31	37¾ 25	33¾ 25	42 31%
Quicksilver.....	46½ 43½	46¾ 43½	45 40	40¾ 39	41 36	41½ 38	39½ 39	39 38	35½ 18	23¾ 20	21 16	29½ 20½
Toledo, Wabash & West'n.	75¾ 71½	74¾ 71¾	74½ 71½	72% 62	70% 67¾	69% 64¾	73% 68	73 67¾	70¾ 38½	49½ 32¾	49 33½	55 45%
Union Pacific.....	39% 34	36% 33	35% 33%	31% 25	32¾ 25¾	28% 22	29% 24%	29 25%	27½ 16	21% 15¾	26½ 14¾	33 24%
Western Union Telegraph..	85½ 78%	94½ 85%	90% 83	87½ 77%	88% 84	86½ 81½	93% 84¾	93% 87%	92½ 54¾	73½ 45	68¾ 43½	75 66%

TABLE *showing the range of fluctuations for one month succeeding June 22d, 1874.*

			<i>Difference on 100 Shares.</i>
Pacific Mail.....	45 $\frac{3}{4}$ 39 $\frac{3}{8}$	highest, lowest,	\$637 50
Western Union Tel..	76 69	highest, lowest,	700 00
Lake Shore.....	77 $\frac{5}{8}$ 67 $\frac{3}{8}$	highest, lowest,	975 00
Union Pacific.....	29 23	highest, lowest,	600 00
Central & Hudson..	100 $\frac{3}{8}$ 96 $\frac{1}{8}$	highest, lowest,	475 00
Rock Island.....	102 $\frac{3}{4}$ 92 $\frac{1}{2}$	highest, lowest,	1,025 00
Tol., Wab. & West..	39 $\frac{3}{8}$ 29	highest, lowest,	1,087 50
Mil. & St. Paul.....	41 $\frac{1}{2}$ 31 $\frac{3}{4}$	highest, lowest,	975 00
Ohio & Miss.....	26 $\frac{3}{4}$ 21 $\frac{3}{8}$	highest, lowest,	487 50
Northwestern.....	44 $\frac{3}{8}$ 35	highest, lowest,	987 50

### INSTRUCTIONS FOR ORDERS.

All orders must be accompanied with the money, which may be, a postal money order, drafts on this city, or, if for a small amount, the greenbacks may be entrusted to a registered letter; large amounts it is better to send per express.

The Privileges will be mailed to you the same day as ordered, or for the benefit of those living at a distance, we will hold them for their account,

and operate them as we may be directed; or, we will act for our clients in closing them at such favorable time as the market may present, using our best judgment for their interest, keeping you duly advised by mail or telegraph of all details.

The Privilege can be settled by any one, at any hour by presenting the same at our office. We pay all profits that have accrued, and the contract is given up to us, and canceled.

Those who desire us to act for them will do well to give us an idea of the profits expected, and as particular instructions as possible, in order that we may meet their views and render to them the most complete satisfaction. *We labor for our commissions*, and the best interests of our patrons.

Be particular to write plainly your name, town, or Post Office, County and State; and for any desired information or explanation, write to us. Any one whose eye may read these pages, desiring light upon any points of Wall street speculation, write us, and we shall take pleasure in posting you, and aiding you to turn your few dollars into many; and if you already have many, we congratulate you, and say you can add to them unlimitedly, for our market is large enough for all.

We issue from time to time a circular, setting forth the distance from the market at which privileges are selling, and noticing any prominent items of speculative interest which may transpire.

Awaiting your orders, we remain your obedient servants,

RUMBLE & CO.,

P. O. Box, 4905,

NEW YORK.

No. 52 Broadway.

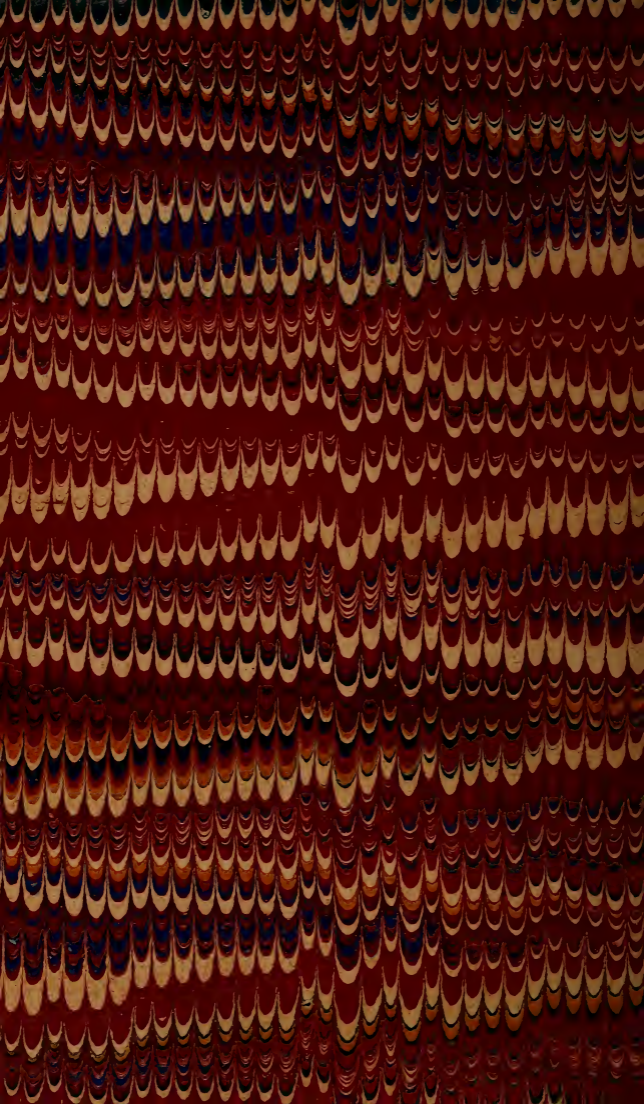


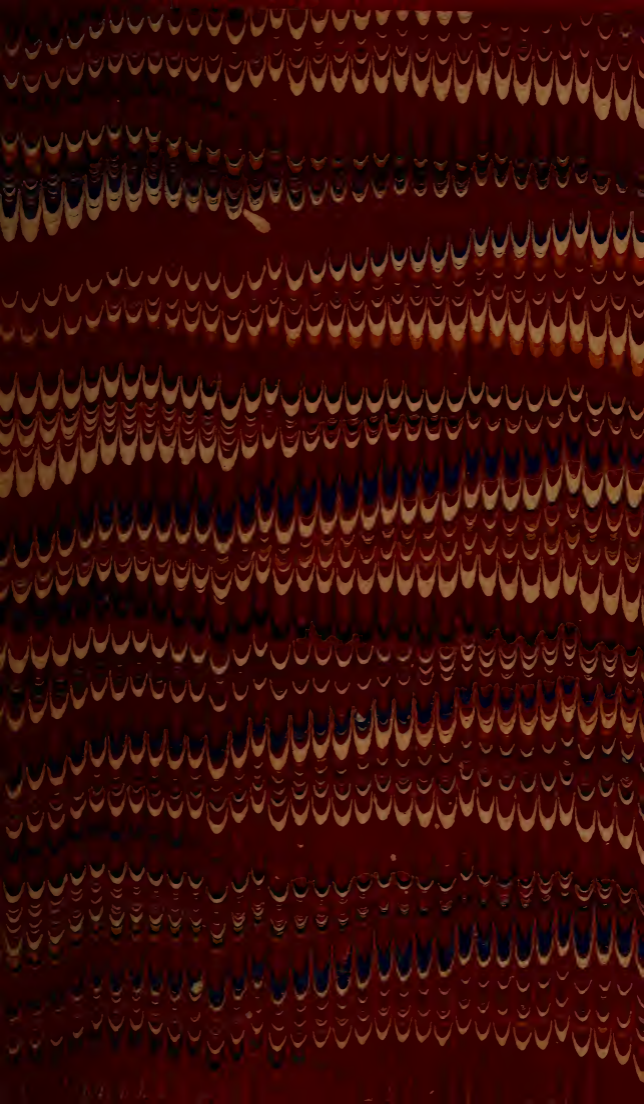












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